

APPLICATION FOR  
**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM**  
 — 2012 Program Year Funding —

ACTIVITY NAME: Multicultural Family Literacy and Homelessness Prevention

APPLICANT: Saratoga County Economic Opportunity Council

MAILING ADDRESS: PO Box 5120  
Saratoga Springs, NY Zip: 12866

PHONE: (518) 587-3158 FAX: (518) 580-9293 EMAIL: j.hoxsie@saratogaecoc.org

CONTACT PERSON: Julie Hoxsie TITLE: Executive Director

APPLICANT (select 1):  City Department  Private non-profit organization  Other Public Agency  
 \_\_\_\_\_  
 (List Dept.) (List Federal ID #) (Specify)  
 \_\_\_\_\_  
 23 7438457  
 \_\_\_\_\_  
 02 0675047  
 \_\_\_\_\_  
 (DUNS #)

NATIONAL OBJECTIVE (select 1):

“Benefit persons of Low/moderate income”

- L/M Income Area Benefit
- L/M Income Limited Clientele Activities
- L/M Income Housing Activities
- L/M Income Job Creation/Retention

“Address slum/blight Conditions”

- “N/A” Slum/blighted Area
- Slum/blighted Spot Basis
- “N/A” Urban Renewal Completion

“Urgent CD Need”

- “N/A” Urgent Need

REQUESTED ENTITLEMENT FUNDING: \$ 18,576

Funding Leveraged from Other Sources: \$ 70,307

Total Activity Cost: \$ 88,883

Proposal Abstract - please provide a *brief* overview of your proposal including the number of persons that will be served with this grant in the space below:

Saratoga County Economic Opportunity Council (EOC) requests \$18,576 in funding for the continuation of its multicultural programming, with a targeted focus on family literacy and homelessness prevention for Limited English Proficient (LEP) children and adults in Saratoga Springs. This represents both a continuation and re-shifting of focus within ongoing programming given increasingly acute needs within the community. The focus of the proposed programming will be on intensive family literacy, English as a Second Language, self-sufficiency counseling, academic tutoring and bilingual support services to 100 Saratoga Springs low-income limited English proficient individuals who experience or at risk of experiencing homelessness or housing instability. The goal of the proposed programming will be to improve financial and housing stability, the English proficiency of LEP families, and the academic achievement of their children.

  
 \_\_\_\_\_  
 (Authorized Signature)  
 Julie Hoxsie  
 \_\_\_\_\_  
 (Typed or Printed Name)

Executive Director  
 \_\_\_\_\_  
 (Title)  
 1/27/12  
 \_\_\_\_\_  
 (Date)

Please respond in writing to each of the following (add additional pages as necessary):

## **I. Activity Description**

Saratoga County Economic Opportunity Council (EOC) requests funding for the continuation of its multicultural programming, with a targeted focus on family literacy and homelessness prevention for Limited English Proficient (LEP) children and adults in Saratoga Springs. This represents both a continuation and re-shifting of focus within ongoing programming given increasingly acute needs within the community. EOC's English as a Second Language classes and bilingual interpreting/advocacy services, have become a fundamental service for integrating Saratoga Springs' LEP families and individuals in our community, as well as an important resource for service providers throughout the city who rely on the cultural and linguistic expertise of EOC staff. The focus of the proposed programming will be on intensive family literacy, English as a Second Language, self-sufficiency counseling, academic tutoring and bilingual support services to Saratoga Springs' low-income limited English proficient families who experience or at risk of experiencing homelessness or housing instability. The goal of the proposed programming will be to improve financial and housing stability, the English proficiency of LEP families, and the academic achievement of their children.

The economic climate and its effect on low-income families has caused EOC to serve an increasing number of LEP (primarily Spanish speaking) families that have experienced the loss of their housing and have become homeless or who arrive at a critical point in determining whether they can maintain their current housing. The proposed programming will work closely with families to obtain housing, or avoid losing housing, as well as help maintain as much stability for themselves and their children, by serving as a liaison for families and the school district, their teachers and other services providers. The goal is to work with families in order to continue advancing on the path to self sufficiency through a hand-in-hand approach that recognizes the need to work on housing and financial issues while also focusing on education, which ultimately provides a key to breaking the cycle of generational poverty.

## **Community Need**

In 2011, SCEOC responded to more than 700 requests for bilingual assistance. English as a Second Language programming was provided to more than 200 individuals. With support from 2009 and 2011 CDBG funds, the background of clients we served diversified. In addition to continuing and increasing services provided to the Spanish speaking population of Saratoga Springs, advocacy and ESL was provided to individuals in families whose primary languages are Portuguese, Chinese, Thai, Triqui, and Urdu. The need for language services, as well as orientations to local resources and health care system cuts across all immigrant groups.

The need for these services is underscored by recent success of EOC's efforts to create a new model within its English as a Second Language class that focuses on a family literacy. In partnership with Saratoga Springs High School Foreign Language Department and Skidmore College, volunteers provide academic tutoring to school age children and early literacy activities to toddlers and pre-school children, while parents receive English as a Second Language instruction. EOC staff provide wrap around support on housing, health, and financial needs. This initiative is small, to this point focusing with only the ability to assist a handful of identified homeless and at-risk families. The program also provides a healthy meal two times a week at class to families that would otherwise have difficulty putting food on the table or are without the means to do so because they are homeless, often living in a motel, and have no kitchen.

This small and new initiative within EOC's multicultural programming now has a waiting list, while EOC searches for resources in order to provide services to families in need who are eager to receive much needed support and also recognize and value the importance of their education and that of their children. No other program in Saratoga Springs provides this kind of support and without it families and children who want more than anything to achieve will fall through the cracks.

Needs are wide ranging and extend from interpreting and connecting individuals with medical care to serving as liaisons between teachers in the Saratoga Springs School District. EOC routinely responds to calls for help from organizations and agencies, including Saratoga Hospital / Saratoga Care, Saratoga County Public Health, Saratoga Department of Social Services, Planned Parenthood, Head Start, WIC, Saratoga Springs City School District, and Saratoga Housing Authority.

### **The Benefits**

The low-income LEP families benefitting from the proposed programming are members of our community. They work in local businesses, live in our city and their children go to our schools. We all benefit from having one more, two more, and ultimately many more families break the cycle of poverty. In a time when budgets, particularly in schools, are extremely tight, EOC will provide programming that maximizes the effectiveness of our schools and the ability of teachers to work with LEP students and their families. EOC's proposed approach will bring two key issues together, education and family development, in a way that neither social service agencies nor schools have been able to alone. EOC's history has proven that it can do this in a cost effective, efficient, and culturally and linguistically competent way.

Beyond this, there are innumerable benefits to having EOC's multicultural programming as part of the Saratoga Springs community. At the most basic level, new channels of communication are open. Where silence or misunderstanding existed before, clear communication and mutual understanding prevail. This leads to more effective provision of a range of human services, allows limited English proficient individuals in our community to become active participants in their well being and in the process of improving the lives of themselves and their families. In cases where health is involved, the language services provided by EOC can facilitate life saving access to medical care, healthier babies, children, and adults. Open communication between parents and teachers supports the educational achievement of every child. The involvement of volunteers and the English as a Second Language program provides a space for individuals to improve their language proficiency and forge meaningful relationships with other members of our community.

While a wide range of agencies, organizations, and individuals utilize the services provided by EOC, any one may not have the need to warrant in-house interpreting and would in this case require a provider to initiate the process of service provision. The model provided by EOC's multicultural programming makes language services available to the entire community. Assistance may be requested by a service provider, but more often is requested by a client. This promotes both cultural awareness among service providers and gives individual clients a more active role by initiating the process of seeking help. Since EOC began developing this programming in 2005, it can be said with confidence that there is, as a result, more cultural awareness, attempts to provide culturally competent care, and individuals and families accessing vital services.

## **Services and Performance Goals**

During the 2012 CDBG year we propose to use CDBG and significant leveraged funding to provide the following services:

- Family literacy programming consisting of English as a Second Language, academic support tutoring and early literacy for 100 LEP individuals
- Serve as a liaison between Saratoga Springs School District and limited English proficient parents for ESL students in K-12
- Housing advocacy to individuals experiencing housing insecurity or homeless, by helping them maintain housing or obtain housing
- Wrap around advocacy services consisting of interpreting and assistance to access health services and other resources that can improve the quality of life for limited English proficient individuals
- Spanish and Cultural Awareness training to human service providers

## **Activity Timeframe**

The proposed programming will begin promptly in July of 2012 and continue through the 2012 CDBG year.

## **II. Organizational Capacity**

The Saratoga County Economic Opportunity Council (EOC) has been providing services to low income individuals and families in Saratoga County since 1965. SCEOC is a federally designated community action agency. Our mission is to provide our clients with opportunities and services which enable them to work towards becoming economically self-sufficient. Our 18 member board of directors consists of 6 elected officials (or their designees), 6 representatives of the private sector, and 6 representatives of the low-income sector (see board table attached for more detail).

With the support of public and private donors alike, EOC has been a leader in providing services to an increasingly diverse population with changing needs in Saratoga County. EOC currently offers crisis intervention services, a food pantry and soup kitchen, wheels to work program, Women, Infants, and Children (WIC), Head Start, Weatherization services, Dress for Work and the Latino Community Advocacy Program.

With the support of the City of Saratoga Springs through Community Development Block Grants beginning in 2006, EOC was the first organization in the city to craft a program to specifically look at the unmet needs of the growing Spanish speaking population. A grant in 2005 of \$11,000 allowed EOC to hire a part-time bilingual advocate and a subsequent grant in 2007 of \$8,500 provided funding for a part-time English as a Second Language Coordinator. With \$12,000 in 2008 we worked collaboratively with the New York Racing Association to address housing and service needs of Backstretch workers and 2009 funding allowed EOC to begin to extend services to other Limited English Proficient immigrant groups. In 2009, 2010 and 2011 EOC received additional Federal discretionary and stimulus funding through the Community Services Block Grant. With this

funding EOC was able to provide year-round full time advocacy and English as a Second Language services to Spanish speaking and immigrants with other native languages such as Portuguese, Triqui, Chinese, Urdu and Thai. EOC has also been successful in gaining industry support, most notably funding and in-kind support from the New York Racing Association and the New York Thoroughbred Horsemen's Association.

SCEOC has a wealth of experience in providing services to low income individuals, many of whom are at a high risk of becoming homeless. Our programs address economic self-sufficiency through many angles; health, educational, and social. Our years of experiences working closely with the Latino and other immigrant populations in Saratoga County puts us at a significant advantage in addressing the specialized needs of low income immigrants facing language barriers. We have three bilingual staff members, dozens of bilingual volunteers, a range of programs and an extensive network that can effectively meet most any situation. SCEOC has also been the first and only agency in the area to consistently seek out and address a wide variety of unmet needs for community members facing language barriers.

Our successes in serving the immigrant speaking population have also been demonstrated in the growth of our previously funded CDGB projects, including enrollment in our English as a Second Language program which has increased to nearly 200 adult students and is now offered at various locations throughout the county. Our program has answered over 700 calls for advocacy and interpreting help in 2011 alone. The quality of our growing services is also evident in the number of community partnerships we have formed. We continue to offer assistance and forge stronger partnerships with the staff of local organizations such as Saratoga Hospital, Saratoga County Public Health, Planned Parenthood, Domestic Violence Service, Shelters of Saratoga, Saratoga County Department of Social Services, the Backstretch Employee Service Team, WIC, Head Start, and Saratoga Springs School District so that they can adequately administer their services. We have also provided several in-service educational programs to the nursing staff of Saratoga Hospital, Saratoga County Mental Health, and local Naval Personnel.

CDBG and leveraged project funds will be used to employ 1 full-time bilingual staff person who will operate under the supervision of SCEOC Executive Director, Julie Hoxsie. The bilingual personnel will be responsible for the provision of direct services as well as working with administration and other SCEOC staff to develop community relationships and a continued funding plan for the program. Other personnel who will be part of the proposed programming are the English as Second Language Coordinator, Skidmore interns and volunteers.

SCEOC is rigidly monitored by a variety of state agencies including the Department of Health, Department of State, and the Division of Housing and Community Renewal. We have demonstrated our capacity and integrity through consistent high quality work and by "no-finding" audits in all of SCEOC's programs. Julie Hoxsie, Executive Director, will be responsible for program and fiscal oversight of this activity.

Partnership Organizations Include:

The following human service agencies and programs with whom SCEOC works collaboratively-

- Saratoga Care
- Saratoga County Public Health

- Planned Parenthood
- Backstretch Employee Service Team
- Race Track Chaplaincy
- Department of Social Services
- Saratoga Springs School District
- Saratoga Housing Authority
- SCEOC Head Start and WIC Programs

The New York Racing Association and the New York Thoroughbred Horseman's Association who house and employ immigrant workers

Skidmore College and SUNY Albany who provides SCEOC with interns who receive academic credit or stipends for their community work

Saratoga County Economic Opportunity Council remains a leader in providing support to low-income limited English proficient members of our community and is still the only agency to provide year round linguistically and culturally competent support to individuals and families who love and work in Saratoga all year, as well as migrant workers who contribute to our community during the thoroughbred training season.

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(ATTACHMENT I)

PROGRAM OPERATING BUDGET

(Entitlement Grant + Leveraged Funds = Total Activity Cost)

	ENTITLEMENT GRANT	Leveraged Funds*	Total Activity Cost	*Source of leveraged Funds and In-Kind Services
<b>PERSONNEL</b>				
Salaries	14,600	57,303	71,903	Please see attached
Fringe	3,528	11,252	14,780	
Other (consultants, etc.)				
<i>Subtotal</i>	18,128	68,555	86,683	

<b>OVERHEAD</b>				
Advertising/Marketing				Please see attached
Program Supplies		600	600	
Rent & Utilities				
Other – list below				
Mileage	448	1152	1600	
<i>Subtotal</i>	448	1752	2200	

<b>TOTAL COST</b>	18,576	70,307	88,883
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# Saratoga County Economic Opportunity Council

## Multicultural Family Literacy and Homelessness Prevention

### PERSONNEL

Program Coordinator	Total Cost	CDBG Share	Leveraged Funds	Source of Leveraged Funds
Full-time 12 months	34,258	6,600	27,658	\$10,851 Community Services Block Grant \$10,000 New York Racing Association \$10,000 New York Racing Association \$15,000 Fundraising (secured) \$22,504 Fundraising (anticipated)
<b>English as a Second Language Coordinator</b>				
Part-time 12 months	14,174	2,000	12,174	
<b>Bilingual Advocate</b>				
Full-time 12 months	23,471	6,000	17,271	
	Fringe	3528	11,252	
	<b>Personnel Total</b>	<b>18,128</b>	<b>68,355</b>	

### PROGRAM EXPENSE

Books, Teaching Materials, Notebooks	600	0	600	
Mileage	1600	448	1152	\$1,752 Fundraising (anticipated)
<b>Total</b>		<b>448</b>	<b>1752</b>	

(ATTACHMENT 2)

CONSTRUCTION / SITE DEVELOPMENT BUDGET

(Entitlement Grant + Leveraged Funds = Total Activity Cost)

n/a

	ENTITLEMENT GRANT	Leveraged Funds*	Total Activity Cost	*Source of leveraged Funds and In-Kind Services
<b>PRECONSTRUCTION</b>				
Legal				
Engineering				
Architectural/Design				
Fees and Permits				
<i>Subtotal</i>				

n/a

<b>DEVELOPMENT</b>				
Relocation				
Site Preparation				
Construction - materials				
Construction - labor				
Construction Financing				
Other - (explain)				
<i>Subtotal</i>				

TOTAL COST

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OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133  
MONITORING OF FEDERAL FINANCIAL ASSISTANCE TO SUBRECIPIENTS

ORGANIZATION: Saratoga County Economic Opportunity Council, Inc.  
MAILING ADDRESS: PO Box 5120, Saratoga Springs, NY 12866  
FEDERAL ID #: 237438457 PHONE: (518) 587-3158 FAX: (518) 580-9293  
DUNS #: 020675047

1. Please identify your fiscal year (mth/yr to mth/yr): 1/12 - 12/12

Please identify below the funding received during your last fiscal year:

2. Community Development Block Grant Entitlement Funding (CDBG):

CDBG Activity Name: Multi-Cultural Advocacy Program

CDBG Funding Program Year: 2011 CDBG Funding Amount: \$3,355

3. Other Federal Financial Awards (cash & non-cash):

GIVE NAME & CATALOG OF FEDERAL FINANCIAL ASSISTANCE (CFDA) #

AMOUNT OF AWARDS

please see attached

4. During your last fiscal year, has your organization expended more than \$500,000 in total federal financial awards (incl. CDBG & all other federal assistance)? YES \*  NO

\* If "yes", include a copy of your latest Single Audit Report with this completed and signed form as part of your application. If you answered "no", please complete, sign and return this form.

5. Are you aware of any financial audit violations, findings or questioned costs relating to any activity funded with federal financial assistance? YES \*  NO

\* If "yes", please describe: \_\_\_\_\_

6. Other Saratoga County Awards (cash & non-cash):

IDENTIFY PROGRAM NAME & YEAR OF AWARD

IDENTIFY AMOUNT OF CO. AWARDS

Saratoga Program for Arts (SPAFA) - B+W Photo Project (2012)

\$3,000

Julie Horne  
Authorized Signature

1/27/12  
Date

**SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
Unrestricted revenues and other support:		
Federal funds	\$ 9,462,577	\$ 7,668,603
State funds	431,906	418,865
Grants in-kind and donated services	2,047,597	1,915,885
Contributions	66,489	61,425
Other revenue	<u>133,933</u>	<u>135,571</u>
Total unrestricted revenues	12,142,502	10,200,349
Net assets released from restriction - food programs	186,760	204,340
Net assets released from restriction - other programs	<u>105</u>	<u>14,903</u>
Total unrestricted revenues and other support	<u>12,329,367</u>	<u>10,419,592</u>
Expenses:		
Head Start	6,011,834	5,765,000
Community Services Block Grant Programs	556,087	377,670
Weatherization Assistance Programs	2,993,978	1,534,327
Special Supplemental Food Programs for Women, Infants and Children	1,782,105	1,776,363
Wheels For Work Program	69,796	77,807
Child and Adult Care Food Program	188,036	175,732
Universal Pre-Kindergarten Program	381,828	374,228
Community Development Block Grant Program	5,000	6,841
Food Programs	197,919	197,100
Management and general - non-federal funds	<u>130,238</u>	<u>151,174</u>
Total expenses	<u>12,316,821</u>	<u>10,436,242</u>
Change in unrestricted net assets	<u>12,546</u>	<u>(16,650)</u>
Temporarily restricted net assets		
Grants and contracts	9,129	8,476
Contributions	176,943	160,342
Other income	83,619	62,063
Net assets released from restriction - food programs	(186,760)	(204,340)
Net assets released from restriction - other programs	<u>(105)</u>	<u>(14,903)</u>
Change in temporarily restricted net assets	<u>82,826</u>	<u>11,638</u>
Change in net assets	95,372	(5,012)
Net assets at beginning of year	<u>998,255</u>	<u>1,003,267</u>
Net assets at end of year	<u><u>\$ 1,093,627</u></u>	<u><u>\$ 998,255</u></u>

See notes to financial statements.

**SARATOGA COUNTY ECONOMIC  
OPPORTUNITY COUNCIL, INC.**

I.D. # 23-7438457

COMPLIANCE REPORT

Years ended December 31, 2010 and 2009

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Saratoga County Economic Opportunity Council, Inc.

We have audited the accompanying statements of financial position of Saratoga County Economic Opportunity Council, Inc. as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saratoga County Economic Opportunity Council, Inc. at December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2011 on our consideration of Saratoga County Economic Opportunity Council, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**UHY** LLP

**SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,589,460	\$ 1,608,482
Accounts and grants receivable	439,056	809,019
Materials inventory	43,646	33,123
Prepaid expenses	<u>66,429</u>	<u>54,115</u>
Total current assets	2,138,591	2,504,739
Investments	37,266	31,501
Property, plant and equipment, net	<u>590,621</u>	<u>886,576</u>
Total assets	<u><u>\$ 2,766,478</u></u>	<u><u>\$ 3,422,816</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 228,118	\$ 313,384
Accrued expenses	226,929	219,556
Deferred revenue	844,949	1,337,290
Long-term debt, current portion	<u>10,638</u>	<u>14,773</u>
Total current liabilities	1,310,634	1,885,003
Long-term debt, net of current portion	<u>362,217</u>	<u>539,558</u>
Total liabilities	<u><u>1,672,851</u></u>	<u><u>2,424,561</u></u>
<b>NET ASSETS</b>		
Unrestricted	769,504	756,958
Temporarily restricted	<u>324,123</u>	<u>241,297</u>
Total liabilities and net assets	<u><u>\$ 2,766,478</u></u>	<u><u>\$ 3,422,816</u></u>

**SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
Unrestricted revenues and other support:		
Federal funds	\$ 9,462,577	\$ 7,668,603
State funds	431,906	418,865
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Change in net assets	95,372	(5,012)
Net assets at beginning of year	<u>998,255</u>	<u>1,003,267</u>
Net assets at end of year	<u>\$ 1,093,627</u>	<u>\$ 998,255</u>

See notes to financial statements.

**SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 95,372	\$ (5,012)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation expense	34,551	34,921
Unrealized gains on investments	(5,765)	(13,190)
Gain on sale of property, plant and equipment	(28,520)	-
Changes in:		
Accounts and grants receivable	369,963	(413,897)
Materials inventory	(10,523)	(3,482)
Prepaid expenses	(12,314)	(4,633)
Accounts payable	(85,266)	(70,524)
Accrued expenses	7,373	48,892
Deferred revenue	(492,341)	1,285,389
Net cash and cash equivalents (used in) provided by operating activities	<u>(127,470)</u>	<u>858,464</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	<u>289,936</u>	<u>-</u>
Net cash provided by financing activities	<u>289,936</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on long-term debt borrowings	<u>(181,488)</u>	<u>(13,956)</u>
Net cash used in financing activities	<u>(181,488)</u>	<u>(13,956)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(19,022)</b>	<b>844,508</b>
<b>Cash and cash equivalents:</b>		
Beginning	<u>1,608,482</u>	<u>763,974</u>
Ending	<u>\$ 1,589,460</u>	<u>\$ 1,608,482</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash payments for interest	<u>\$ 22,736</u>	<u>\$ 28,969</u>

**SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010 and 2009

**NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Saratoga County Economic Opportunity Council, Inc. (the "Council"), headquartered at 40 New Street, Saratoga Springs, New York, was incorporated on November 12, 1965 under Section 201 of the Not-for-Profit Corporation Law of the State of New York. The Council was formed to perform charitable acts, attack poverty, and to open opportunities for education, training, and work.

**Significant Accounting Policies**

**Financial reporting:**

The Council presents its financial statements in accordance with generally accepted accounting principles for external financial reporting by not-for-profit organizations which require that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions: (1) unrestricted net assets, (2) temporarily restricted net assets and (3) permanently restricted net assets. As of December 31, 2010 and 2009, all of the Council's net assets are classified as either unrestricted or temporarily restricted (see Note 6).

**Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Contributions:**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted contributions depending on the existence and/or nature of any donor restrictions.

**Cash and cash equivalents:**

The Council considers all highly liquid instruments, primarily certificates of deposit, with original maturities of three months or less to be cash equivalents. The Council places its cash with high quality credit institutions. At times, cash balances may be in excess of FDIC insurance limits.

**Inventory:**

Inventory consists of materials acquired with grant funds to be used in the Weatherization program. These materials are stated at the lower of cost or market determined by the first-in, first-out (FIFO) method.

**Investments:**

The Council follows generally accepted accounting principles for the reporting of financial assets. These principles provide a framework for measuring the fair value and guidance regarding a fair value hierarchy, which prioritizes information used to measure fair value and the effects of fair value measurements on the Statements of Activities, as well as enhanced disclosures determined by the level within the hierarchy of information used in the valuation.

The basis of fair value for the Council's equity securities is that investments listed on a national securities exchange are generally valued at the last sales price on the date of valuation or, if no sale occurred on such date, at the last bid price thereon. Investments in equity securities with readily determinable fair values are measured at fair value in the statement of financial position.

**SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010 and 2009

**NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Significant Accounting Policies (Continued)**

Property and equipment:

Property and equipment, which is stated at cost, is depreciated using both accelerated and straight-line methods over various estimated useful lives of assets ranging from five to thirty nine years.

Deferred revenue:

Deferred revenue consists of contract funds received in advance of related expenses. Deferred revenue is recorded as revenue when the applicable expenses are incurred.

Recognition of revenue and expenses:

Revenue from federal and state funds is generally recognized only to the extent of grant expenditures, however certain federal and state program revenue is recognized based on the terms and conditions of the applicable grant. Expenses are recorded as incurred and charged to the applicable grant.

Donated services:

The Council generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Council with specific assistance programs and fund-raising activities.

Donated services are recognized as contributions in accordance with generally accepted accounting principles if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Council.

Donated services in the amounts of \$1,999,620 and \$1,875,294 were recognized in 2010 and 2009, respectively, and are included in grants in-kind and donated services and the related expense category. Donated services relate principally to the Head Start Program.

Income taxes:

The Council is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Council follows guidance issued by the Financial Accounting Standards Board ("FASB") regarding accounting for uncertainty in income taxes. This guidance clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the financial statements and applies to all income tax positions. Each income tax position is assessed using a two step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement.

The primary income tax position taken by the Council for any years open under the various statues of limitations are that the Council continues to be exempt from income taxes and does not have unrelated business income that would be subject to income taxes. The Council believes that there are no other tax positions taken or expected to be taken that would significantly increase or decrease unrecognized tax benefits within 12 months of the reporting date.

**SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2010 and 2009

**NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Income taxes: (Continued)

The adoption of this guidance did not impact the Council’s financial position or results of operations. None of the Council’s federal or state income tax returns are currently under examination by the Internal Revenue Service (“IRS”) or state authorities. However fiscal years 2007 and later remain subject to examination by the IRS and New York State.

Subsequent events:

For purposes of preparing this financial statement, the Council considered events through September 26, 2011.

Reclassifications:

Certain items have been reclassified in the 2009 financial statements to conform with the current year’s presentation.

**NOTE 2 — ACCOUNTS AND GRANTS RECEIVABLE**

Accounts and grants receivable consist of the following at December 31:

	<u>2010</u>	<u>2009</u>
Department of Health and Human Services	\$ 371,685	\$ 337,701
Division of Housing and Community Renewal	-	340,954
Department of Health	29,206	96,158
Wheels for Work	17,094	18,946
Other	<u>21,071</u>	<u>15,260</u>
Total	<u>\$ 439,056</u>	<u>\$ 809,019</u>

**NOTE 3 — INVESTMENTS**

Investments, which are classified on the Council’s statements of financial position as available for sale, are stated at fair value. The level of fair value inputs used to measure investments is characterized in accordance with a fair value hierarchy. Where inputs for an investment fall in more than one level in the fair value hierarchy, the investment is classified in its entirety based on the lowest level input that is significant to that investment’s fair value measurement. Management uses judgment and considers factors specific to the investment in determining the significance of an input to a fair value measurement. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are unadjusted quoted market prices in active markets that are accessible at the measurement date for identical assets.
- Level 2 inputs are inputs (other than quoted prices included in Level 1) that are observable for the asset, either directly or indirectly.
- Level 3 inputs are unobservable and cannot be corroborated by observable market data.

All of the Council’s investments at both December 31, 2010 and 2009 were classified utilizing Level 1 inputs.

**SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010 and 2009

**NOTE 3 — INVESTMENTS (Continued)**

Investments consist of the following at December 31:

	<u>2010</u>	<u>2009</u>
TD Banknorth, Inc. common stock, 471 shares in 2010 and 2009.	\$ 35,000	\$ 29,541
Apache Corporation common stock, 19 shares in 2010 and 2009.	<u>2,266</u>	<u>1,960</u>
Total	<u>\$ 37,266</u>	<u>\$ 31,501</u>

**NOTE 4 — PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consists of the following at December 31:

	<u>2010</u>	<u>2009</u>
Land and buildings	\$ 856,318	\$ 1,147,156
Vehicles	<u>30,849</u>	<u>30,849</u>
	887,167	1,178,005
Less accumulated depreciation	<u>296,546</u>	<u>291,429</u>
	<u>\$ 590,621</u>	<u>\$ 886,576</u>

Depreciation expense was \$34,551 and \$34,921 for the years ended December 31, 2010 and 2009, respectively.

During 2010 the Council sold two rental properties located in Saratoga Springs, New York. Net proceeds from the sales totaled \$289,936 and the Council realized a gain on the sale of the properties in the amount of \$28,520, included in other revenue in the 2010 statement of operations. All debt associated with the properties was fully repaid at the time of the sales (Note 5).

In accordance with grant provisions, certain equipment purchases are recorded as an expense in the year of acquisition; therefore, there is not an equipment account or any related depreciation provision for those assets.

**SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010 and 2009

**NOTE 5 — LONG-TERM DEBT**

Long-term debt is comprised of the following at December 31:

	<u>2010</u>	<u>2009</u>
Mortgage payable, U.S. Department of Agriculture, due in monthly installments of \$2,347, including interest at 4.75% through November 2031, collateralized by building and land at 40 New Street, Saratoga Springs, New York.	\$ 372,855	\$ 383,061
Mortgage payable, bank, due in monthly installments of \$320, including interest at 5.50% through February 2018, collateralized by building and land at 20 Walworth Street, Saratoga Springs, New York. This loan was repaid in full in February 2010 (Note 4).	-	25,496
Mortgage payable, Capital District Community Loan Fund Inc., due in monthly installments of \$908, including interest at 6.00% through August 2037, collateralized by building and land at 1 Waterbury Street, Saratoga Springs, New York. This loan was fully repaid in July 2010 (Note 4).	-	145,774
	<u>372,855</u>	<u>554,331</u>
Less current maturities	<u>10,638</u>	<u>14,773</u>
	<u>\$ 362,217</u>	<u>\$ 539,558</u>

The aggregate annual maturities of long-term debt at December 31, 2010 are as follows:

2011	\$ 10,638
2012	11,155
2013	11,697
2014	12,265
2015	12,860
Thereafter	<u>314,240</u>
Total	<u>\$ 372,855</u>

Interest expense was \$22,736 and \$28,969 for the years ended December 31, 2010 and 2009, respectively.

**NOTE 6 — NET ASSETS**

Temporarily restricted net assets are available for the following purposes at December 31:

	<u>2010</u>	<u>2009</u>
Food programs	\$ 254,215	\$ 226,621
Other programs	69,908	14,676
Total	<u>\$ 324,123</u>	<u>\$ 241,297</u>

**SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010 and 2009

**NOTE 7 — EMPLOYEE BENEFIT PLAN**

The Council has a 401(k) plan which covers all employees who have attained age 21 and have completed one year of service. Contributions, which are discretionary, were \$155,152 and \$152,587 at December 31, 2010 and 2009, respectively.

**NOTE 8 — CONTINGENCIES**

In February 2011, the U.S. Department of Energy Office of Inspector General Office of Audits and Inspections commenced an examination level attestation engagement of the Council's Recovery Act Weatherization Assistance Program Funds. Its purpose was to examine the Council's compliance with federal and state laws and regulations, and guidelines applicable to activities under the Weatherization Assistance Program funded by the American Recovery and Reinvestment Act of 2009. The final result of the examination is undetermined as of the date of this report.

The Council has also received other grants which are subject to audit by agencies of the Federal and State governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. Management believes disallowances, if any, will be immaterial.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Saratoga County Economic Opportunity Council, Inc.

We have audited the financial statements of Saratoga County Economic Opportunity Council, Inc. as of and for the year ended December 31, 2010, and have issued our report thereon dated September 26, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Saratoga County Economic Opportunity Council, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Saratoga County Economic Opportunity Council Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance

As part of obtaining reasonable assurance about whether Saratoga County Economic Opportunity Council, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to the management of Saratoga County Economic Opportunity Council, Inc. in a separate letter dated September 26, 2011.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*UHY* LLP

Albany, New York  
September 26, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors  
Saratoga County Economic Opportunity Council, Inc.

**Compliance**

We have audited the compliance of Saratoga County Economic Opportunity Council, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2010. Saratoga County Economic Opportunity Council, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Saratoga County Economic Opportunity Council, Inc.'s management. Our responsibility is to express an opinion on Saratoga County Economic Opportunity Council, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Saratoga County Economic Opportunity Council, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Saratoga County Economic Opportunity Council, Inc.'s compliance with those requirements.

In our opinion, Saratoga County Economic Opportunity Council, Inc. complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. However, the results of our auditing procedures disclosed instances of non-compliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as items 2010-1, 2010-2, 2010-3 and 2010-4.

## Internal Control Over Compliance

The management of Saratoga County Economic Opportunity Council, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Saratoga County Economic Opportunity Council, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Saratoga County Economic Opportunity Council, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2010-1. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance

Saratoga County Economic Opportunity Council, Inc.'s responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Saratoga County Economic Opportunity Council, Inc.'s responses, and accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**UHY** LLP

Albany, New York  
September 26, 2011

**SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**SCHEDULE OF FEDERAL AWARDS**  
**Year Ended December 31, 2010**

Federal Grantor Program Title	Pass- through Entity Identifying <u>Number</u>	Catalog of Federal Domestic Assistance <u>Number</u>	2010 <u>Expenditures</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Head Start Program	NA	93.600	\$ 1,295,566
Head Start Program	NA	93.600	2,597,772
ARRA - Head Start Program	NA	93.708	180,506
<i>Passed Through New York State Department of State</i>			
Community Services Block Grant	C-005438-09	93.569	142,516
Community Services Block Grant	C-005438-10	93.569	69,037
ARRA - Community Services Block Grant	C-001036	93.710	234,927
<i>Passed Through New York State Division of Housing and Community Renewal</i>			
Low-income Home Energy Assistance - (Weatherization 2009)	C091061-09	93.568	479,997
Low-income Home Energy Assistance - (Weatherization 2010)	C091061-10	93.568	572,526
<i>Passed Through New York State Office of Temporary Disability Assistance</i>			
Temporary Assistance for Needy Families (Wheels For Work - 2006)	C009989	93.558	67,980
<i>Passed Through the City of Saratoga Springs, New York</i>			
Community Development Block Grant	NA	93.383	5,000
<b>U.S. DEPARTMENT OF ENERGY</b>			
<i>Passed Through New York State Division of Housing and Community Renewal</i>			
Weatherization Assistance for Low-income Persons - 2009	C091061-09	81.042	243,088
Weatherization Assistance for Low-income Persons - 2010	C091061-10	81.042	222,898
ARRA - Weatherization Assistance for Low-income Persons - 2010	C0902261	81.042	1,419,065
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through New York State Department of Health</i>			
Special Supplemental Food Program for Women, Infants and Children - 2009	C025793	10.557	1,290,692
Special Supplemental Food Program for Women, Infants and Children - 2010	C025793	10.557	444,909
Child and Adult Care Food Program	2588 / 2009	10.558	60,309
Child and Adult Care Food Program	2588 / 2010	10.558	127,727
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
Emergency Food and Shelter Program	N/A	97.024	<u>8,000</u>
			<u>\$ 9,462,515</u>

The accompanying notes to the schedule of expenditures of federal awards should be read in conjunction with this schedule.

**SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**NOTES TO SCHEDULE OF FEDERAL AWARDS**  
**Year Ended December 31, 2010**

**NOTE 1 — GENERAL**

The accompanying schedule of federal awards presents the activity of all federal award programs of Saratoga County Economic Opportunity Council, Inc. The Council's reporting entity is defined in Note 1 to the Council's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

***American Recovery and Reinvestment Act of 2009***

In 2009, the American Recovery and Reinvestment Act of 2009 (ARRA, Recovery Act) was enacted. The Recovery Act provides for appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, State and local fiscal stabilization and for other purposes. Recovery Act funded federal expenditures consisted of the following for the period ended December 31, 2010:

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Head Start Program	93.708	\$ 180,506
Community Service Block Grant	93.710	234,297
Weatherization Assistance for Low-Income Persons	81.042	<u>1,419,065</u>
Total Recovery Act Funded Expenditures		<u>\$ 1,833,868</u>

**NOTE 2 — BASIS OF ACCOUNTING**

The accompanying schedule of federal awards is presented using the accrual basis of accounting.

**NOTE 3 — RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

Federal award programs are reported in the Council's financial statements in each program's related group of expenditures.

**SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended December 31, 2010

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**Section I - Summary of Auditor's Results**

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**FINANCIAL STATEMENTS**

A. Type of auditor's report issued:	Unqualified
B. Internal Control Over Financial Reporting	
Material weaknesses:	No
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
C. Noncompliance Material to Basic Financial Statements:	No

**FEDERAL AWARDS**

A. Internal Control Over Major Programs	
Material weaknesses:	No
Significant deficiencies identified that are not considered to be material weaknesses:	Yes
B. Type of auditor's report issued on compliance for major programs:	Unqualified
C. Audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133:	Yes

D. Major programs	<u>CFDA Number</u>
Head Start Program	93.600 / 93.708
Community Services Block Grants	93.569 / 93.710
Low Income Home Energy Assistance	93.568
Weatherization Assistance Program	81.042

E. Dollar threshold to determine between Type A and Type B programs:	\$300,000
F. Auditee qualified as low-risk auditee:	Yes

**SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**Year Ended December 31, 2010**

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**Section II – Financial Statement Findings**

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There are no findings to report in the current year.

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**Section III – Federal Award Findings and Questioned Costs**

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***Significant Deficiency***

2010-1 **Weatherization Assistance For Low-Income Persons – CFDA No. 81.042 Grant No. C0902261 – ARRA Grant period – Year ended December 31, 2010**

***Condition:*** Certain employment data required to be reported under the program was reported inaccurately.

***Criteria:*** Terms of the grant require accurate employment data related to grant expenditures to be reported timely on a regular basis.

***Cause:*** Procedures implemented under this new grant did not include a secondary review of the report by a person other than the original preparer.

***Effect:*** Without a secondary review, it is more likely that information may be reported inaccurately.

***Recommendation:*** Management should revise procedures in place to include a review of all reports by an individual other than the preparer prior to the reporting deadline for accuracy. This review should be documented in the form of a sign off by the reviewer on a copy of each report.

***Views of Responsible Officials and Planned Corrective Action:*** In a rapidly evolving reporting environment we constantly strive to review and improve our procedures in regard to reporting. Management agrees with the finding and the recommended procedure has been implemented.

**SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**Year Ended December 31, 2010**

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**Section III – Federal Award Findings and Questioned Costs (Continued)**

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**2010-2 Weatherization Assistance For Low-Income Persons – CFDA No. 81.042 Grant No. C0902261 – ARRA Grant period – Year ended December 31, 2010**

**Condition:** Cash advances received under the grant were placed in a separate, non-interest bearing account.

**Criteria:** Terms of the grant require grant funds to be maintained in a separate interest bearing account.

**Cause:** Management followed the direction of the New York State Department of Housing and Community Renewal (through which the grant is passed through) which specified that funds should be segregated into a separate account, but did not specify that an interest bearing account was required.

**Effect:** By using a non-interest bearing account, interest that may have been earned and returned to the federal government was not earned.

**Recommendation:** Management should transfer the funds associated with the grant into an interest bearing account.

**Views of Responsible Officials and Planned Corrective Action:** While it is true that the use of an interest bearing account is required under federal guidelines, it is also true that advances of federal funds must be deposited and maintained in insured accounts whenever possible. Current FDIC insurance protection extends to an unlimited amount for balances in non-interest bearing accounts, while protection provided for balances in non-interest bearing accounts is limited to \$250,000, which is below the average balance maintained in the account. Additionally, during the program period, interest rates paid in interest bearing accounts hovered near 0%. Therefore the amount of interest earned in such an account during the period would have been insignificant.

**SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**Year Ended December 31, 2010**

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**Section III – Federal Award Findings and Questioned Costs (Continued)**

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**2010-3 Weatherization Assistance For Low-Income Persons – CFDA No. 81.042 Grant No. C0902261 – ARRA Grant period – Year ended December 31, 2010**

**Condition:** In one instance out of forty disbursements tested, management was unable to provide documentation supporting competitive bidding for equipment purchased with program funds.

**Criteria:** Program guidelines require that three price quotations be obtained for purchases totaling more than \$2,000.

**Cause:** Although procedures are in place to insure that three price quotations are obtained prior to final purchase, in this case, documentation supporting the price comparison was not maintained.

**Effect:** The lack of supporting documentation calls into question whether or not the best possible value was achieved when this purchase was made.

**Recommendation:** Management should review procedures in place with appropriate staff in order to be sure that documentation supporting proper purchasing procedures is maintained as required under program guidelines.

**Views of Responsible Officials and Planned Corrective Action:** Management is confident that the procedure for obtaining three price quotations prior to purchase was followed. The documentation was gathered by Fiscal/HR Assistant and reviewed by both the Director of Finance/HR and the Assistant Director of Energy Services prior to the purchase to ensure that the agency was receiving the best value for goods received. Management will review procedures already in place with appropriate staff to ensure that supporting documentation is attached to invoices and properly maintained as required.

**SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
Year Ended December 31, 2010

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**Section III – Federal Award Findings and Questioned Costs (Continued)**

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**2010-4 Head Start Program – CFDA No. 93.600 Grant No. 02CH9946 Grant period – Year ended December 31, 2010**

**Condition:** In one instance out of forty files tested, the signed income verification form could not be located.

**Criteria:** Head Start programs are required to verify family income as part of eligibility testing and to maintain a signed statement attesting to the review of the appropriate documentation and to the determination that that a child is eligible to participate based on family income.

**Cause:** Although procedures are in place to be sure that these forms are completed and maintained in each file, in this instance, the form was unable to be located.

**Effect:** The lack of a signed verification form means that the child's eligibility to participate in the program could be in doubt.

**Recommendation:** Management should review procedures in place with appropriate staff in order to be sure that signed verification forms are maintained as required under program guidelines.

**Views of Responsible Officials and Planned Corrective Action:** Management is confident that the procedures for income verification were followed and feels that the finding noted was an exception. All required documentation from the applicants is obtained. Using the original documentation, the information is entered into ChildPlus, the software system which is specific to the Head Start Program and a paper file is created and maintained at program sites. Income verification forms will be scanned into ChildPlus and Management will review procedures already in place with appropriate staff to ensure that signed verification forms are maintained.

**SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**Year Ended December 31, 2010**

There were no findings reported for the year ended December 31, 2009.

FILING RECEIPT

=====

ENTITY NAME: SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.

DOCUMENT TYPE: AMENDMENT (DOMESTIC NFP)  
PURPOSES PROCESS

COUNTY: SARA

SERVICE COMPANY: \*\* NO SERVICE COMPANY \*\*

SERVICE CODE: 00

=====

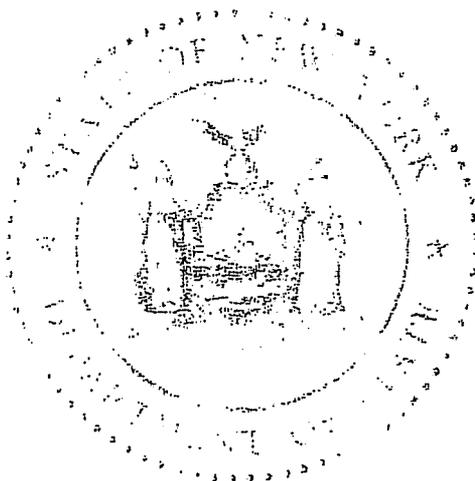
FILED:10/13/2005 DURATION:\*\*\*\*\* CASH#:051013000957 FILM #:051013000905

ADDRESS FOR PROCESS

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THE CORPORATION  
40 NEW STREET PO BOX 5120  
SARATOGA SPRINGS, NY 12866

REGISTERED AGENT



=====

FILER	FEES	65.00	PAYMENTS	65.00
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	FILING	30.00	CASH	0.00
	TAX	0.00	CHECK	65.00
VARTLETT PONTIFF STEWART & RHODES	CERT	0.00	CHARGE	0.00
O BOX 2168	COPIES	10.00	DRAWDOWN	0.00
ONE WASHINGTON STREET	HANDLING	25.00	OPAL	0.00
GLENS FALLS, NY 12801			REFUND	0.00
			-----	

=====

CERTIFICATE OF INCORPORATION OF  
SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.

We, the undersigned, for the purpose of forming a Membership Corporation pursuant to the Membership Corporation Law of the State of New York, hereby certify:

First, the name of the proposed corporation shall be "SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC."

Second, the purposes for which the corporation shall be formed are:

- A. To operate as a county-wide agency to perform charitable acts and attack poverty.
- B. To open any opportunities for education, training and work and to provide the opportunity to live in decency and dignity.
- C. To perform all acts necessary to facilitate, encourage and promote the provisions and the purposes of the Economic Opportunities Act of August 20, 1964, Public Law 88-52, 88th Congress; 78 Stat. 508 and the implementation of Federal, State and Local Laws relative to the development of Saratoga County.
- D. To assist and cooperate with other individuals, organizations or institutions dedicated to the same or similar general purpose.
- E. To assist and encourage the raising of the moral and educational standards of the youth and citizens of the county.
- F. To assist and encourage the development in the county of open opportunity system which will help youth and citizens reach their full potential.
- G. To acquire, hold, sell, transfer, mortgage, lease and otherwise deal in any and all real, personal and other property necessary or proper for the carrying out of any or all of the foregoing purposes insofar as the same is allowed to a corporation organized under the Membership Corporation Law of the State of New York.
- H. To receive, hold, invest, reinvest and distribute for or to furtherance of any and all of the foregoing purposes, any monies, securities or other real or personal property transferred to or acquired by the corporation by grant, devise, gift, bequest or otherwise.
- I. To borrow money and to perform those acts incidental to the borrowing of money for any of the purposes of the corporation and to enter into agreements or assignments of any part of its property, rights, or privileges wherever situated whether now owned or hereinafter acquired to accomplish its said purposes.
- J. The purposes for which this corporation is formed and the powers which it shall exercise are to be charitable and not for financial gain or profit to any member or to any person whatsoever.

Third, the territory in which its operations are to be presently conducted is the County of Saratoga.

Fourth, the city and county in which its office is to be located is the City of Saratoga Springs and County of Saratoga.

Fifth, the number of its directors shall be fixed by the By-laws of the corporation, but shall be not less than five nor more than thirty.

Sixth, the names and addresses of the Directors until the first Annual Meeting are as follows:

<u>Name</u>	<u>Address</u>	<u>Title</u>
Joseph V. Gemmiti	37 W. High St., Ballston Spa	- Commissioner Public Welfare
Edward L. Pilkington	37 Mitchell St., Saratoga Spgs	- Member S.S. School Board
Fred Eaton	157 Caroline St., Saratoga Spgs	- Editor - The Saratogian
Dante Orsini	404 Main St., So. Glens Falls	- Sup'r Scott Paper Mills, Ft. Edw.
Miss Jane Moses	32 Pine St., Corinth	- Sec'y Amal. Clothing Workers
Clayton Allen	R. D. Hadley	- Laborer
Rev. Benjamin Holmes	23 Washington St., Saratoga Spgs.	- Pastor Bethesda Church
John LeRoux	Loughberry Rd., Saratoga Spgs.	- Asst. Supt. Schools - SS
Sumner Cowden	404 Broadway, Saratoga Spgs.	- NY State Div. Employment
Edward Sauter	24 McLean St., Ballston Spa	- Asst. Prin. B. Spa Elementary Schools

Seventh, all of the subscribers to this certificate are of full age; at least two-thirds of them are citizens of the United States; at least one of them is a resident of the State of New York; and of the persons named as Directors, at least one is a citizen of the United States and a resident of the State of New York.

Eighth, that this certificate of incorporation does not incorporate an existing unincorporated association.

IN WITNESS WHEREOF, we have made, subscribed and acknowledged this Certificate this 12th day of November, 1965.

*Joseph V. Gemmiti*  
*Fred Eaton*  
*Clayton Allen*  
*Edward Sauter*  
*Sumner Cowden*  
*Miss Jane Moses*  
*John LeRoux*  
*Edward L. Pilkington*  
*Dante Orsini*

STATE OF NEW YORK :  
COUNTY OF SARATOGA : SS  
CITY OF \_\_\_\_\_ :

FRANCIS E. DORSEY, being duly sworn, deposes and says that he is Attorney for the subscribers to the Annexed Certificate of Incorporation, and that no previous application for the approval of said Certificate by any Justice of the Supreme Court has ever been made.

Francis E. Dorsey

Subscribed and sworn to

before me this

6<sup>th</sup> day of December, 1965.

Alice Downer

Notary Public

I, MICHAEL F. SPENGLER, a Justice of the Supreme Court of the Fourth Judicial District of the State of New York, hereby approve the foregoing Certificate of Incorporation.

15/ Michael F. Spengler  
Justice of the Supreme Court

Date December 20, 1965

Saratoga Springs, N. Y.

City State

CERTIFICATE OF AMENDMENT  
OF THE  
CERTIFICATE OF INCORPORATION  
OF

Saratoga County Economic Opportunity Council, Inc.  
Under Section 803 of the Not-for-Profit Corporation Law

- FIRST: The name of the corporation is: Saratoga County Economic Opportunity Council, Inc.
- SECOND: The date of filing of the Certificate of Incorporation with the Department of State is January 14, 1966.
- THIRD: The law the corporation was formed under is: Membership Corporation Law.
- FOURTH: The corporation is a corporation as defined in Section 102(a)(5) of the Not-for-Profit Corporation Law. The corporation is a Type B corporation.
- FIFTH: The amendment effected by this certificate of amendment is as follows:

Paragraph Second of the Certificate of Incorporation relating to the purpose for which the corporation shall be formed is hereby amended to add the following purpose:

- K. To establish and operate Head Start day care centers within the State of New York, initially within Saratoga County, provided however, before each such facility shall be established and opened, the prior written approval of the New York State Office of Children and Family Services (the New York City Department of Health for centers within the city of New York) must be obtained.**

**No certificate of amendment, merger, consolidation or dissolution shall be filed without the prior written approval of the New York State Office of Children and Family Services.**

Paragraph Second of the Certificate of Incorporation relating to the purpose for which the corporation shall be formed is hereby amended to add the following purpose:

- L. To conduct and operate or contract for the operation of Head Start programs in the County of Saratoga pursuant to the Economic Opportunity Act as amended by the Head Start Economic Opportunity and Community Partnership Act of 1974.**

Paragraph Second of the Certificate of Incorporation relating to the purpose for which the corporation shall be formed is hereby amended to add the following sentence at the end of Paragraph Second:

Nothing herein shall authorize the corporation to operate or maintain a nursery school, charter school, kindergarten, elementary school or secondary school.

SIXTH: The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The address to which Secretary of State shall forward copies of process accepted on behalf of the corporation is:

40 New Street, P.O. Box 5120  
Saratoga Springs, New York 12866

SEVENTH: The certificate of amendment was authorized by:

The amendment was authorized by a vote of a majority of the entire Board of Directors. The corporation has no members.

Pamela A Marro  
(Signature)

Secretary Pamela marro  
(Name and Title of Signer)

THE ATTORNEY GENERAL HAS NO OBJECTION  
TO THE GRANTING OF JUDICIAL APPROVAL  
HEREON, ACKNOWLEDGES RECEIPT OF  
STATUTORY NOTICE AND DEMANDS SERVICE  
OF THE FILED CERTIFICATE. SAID NO OBJECTION  
IS CONDITIONED ON SUBMISSION OF THE  
MATTER TO THE COURT WITHIN 30 DAYS HEREAFTER.

Timothy B. Lennon  
ASSISTANT ATTORNEY GENERAL

DATE

October 3, 2005

Timothy B. Lennon

I, Honorable Hon. David B. Krogmann, a Justice of the Supreme Court of the State of New York, Fourth Judicial District, do hereby approve the foregoing Certificate of Amendment of the Certificate of Incorporation of Saratoga County Economic Opportunity Council, Inc. pursuant to Section 804(a)(ii) of the Not-for-Profit Corporation Law and consent that the same be filed.

Dated: October 12, 2005

Supreme Court

Regular Term, Part I  
Lake George, New York

  
Justice of the Supreme Court  
Fourth Judicial District  
Hon. David B. Krogmann

STATE OF NEW YORK  
OFFICE OF CHILDREN AND FAMILY SERVICES  
ALBANY, NEW YORK

KNOW ALL PERSONS BY THESE PRESENTS:

Pursuant to the provisions of Section 460-a of the Social Services Law and Section 804, of the Not-for-Profit Corporation Law due inquiry and investigation having been made, approval is hereby given to the filing of the annexed certificate of amendment of the certificate of incorporation of

SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL,  
INC.

on the condition that the purposes and duration included in the certificate as filed are consistent with the following purposes and duration: To establish and operate Head Start day care centers within the State of New York, initially within Saratoga County in perpetuity provided, however, that before each such facility shall be established and opened, the prior written approval of the New York State Office of Children and Family Services or, for those day care centers located within New York City, the New York City Department of Health, will be obtained.

This approval will, upon filing of the certificate with the Secretary of State, give the corporation the authority to engage in the activities set forth or summarized above for the period of time set forth above.

IN WITNESS WHEREOF, this document  
is executed and the seal of the New York  
State Office of Children and Family  
Services is affixed this 7<sup>th</sup> day of  
October, 2005.

By:

  
Suzanne Z. Sennett  
Director, Bureau of Child Care  
Division of Development and  
Prevention Services



Received  
9-30-05

STATE OF NEW YORK  
THE STATE EDUCATION DEPARTMENT

Albany, New York

Bartlett, Pontiff, Stewart & Rhodes, P.C.  
Attn: Bruce O. Lipinski, Esq.  
P.O. Box 2168  
One Washington Street  
Glens Falls, New York 12801

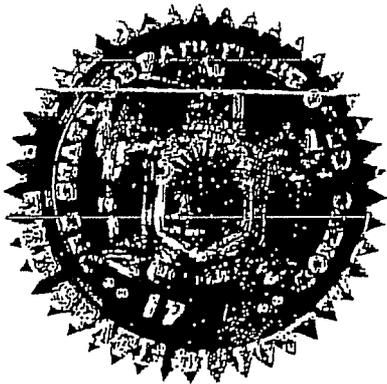
**Re: Saratoga County Economic Opportunity Council, Inc.**

Dear Mr. Lipinski:

Consent is hereby given to the filing of the annexed certificate of amendment of the certificate of incorporation of **Saratoga County Economic Opportunity Council, Inc.**, pursuant to the applicable provisions of the Education Law, the Not-for-Profit Corporation Law, the Business Corporation Law, the Limited Liability Company Law or any other applicable statute.

This consent is issued solely for purposes of filing the annexed document by the Department of State and shall not be construed as approval by the Board of Regents, the Commissioner of Education or the State Education Department of the purposes or objects of such entity, nor shall it be construed as giving the officers or agents of such entity the right to use the name of the Board of Regents, the Commissioner of Education, the University of the State of New York or the State Education Department in its publications or advertising matter.

IN WITNESS WHEREOF this instrument is executed and the seal of the State Education Department is affixed.



RICHARD P. MILLS  
Commissioner of Education

By: *Susan A. Naccarato*  
Richard L. Nabozny  
or Susan A. Naccarato  
(Commissioner's designee)

*Sept 28, 2005*  
Date